

AMENDED IN ASSEMBLY APRIL 5, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 974

Introduced by Assembly Member Papan

February 25, 1999

An act to amend Sections 82033, 82034, 84200, 84202.5, 84202.7, 84203.5, 84308, 87103, 87206, 87207, 89511, *90001*, and 91005 of the Government Code, relating to the Political Reform Act of 1974.

LEGISLATIVE COUNSEL'S DIGEST

AB 974, as amended, Papan. Political Reform Act: monetary limits.

(1) Under the existing Political Reform Act of 1974, public officials and designated employees of public agencies are required to annually file a written statement of the economic interests they possess during specified periods. Existing law requires various economic interests, such as interests in real property and investments, to be reported in those statements if the fair market value of the interest is of a specified minimum monetary amount.

This bill would increase from \$1,000 to \$2,000 the minimum monetary amount of interests in real property and in investments required to be reported in those statements.

Existing law prohibits a public official at any level of state or local government from making, participating in making, or in any way attempting to use his or her official position to influence a governmental decision in which he or she knows

or has reason to know he or she has a financial interest. Existing law provides that a public official has a financial interest in a decision if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from the effect on the public generally, on any business entity in which the public official has a direct or indirect investment worth \$1,000 or more, on any real property in which the public official has a direct or indirect interest worth \$1,000 or more, or on any source of income, except gifts or certain loans, aggregating \$250 or more in value provided to, received by, or promised to, the public official within 12 months prior to the time the decision was made.

This bill would increase from \$1,000 to \$2,000 for both investments in business entities and interests in real property, and from \$250 to \$500 for amounts from sources of income, the minimum values that establish financial interests of a public official for purposes of his or her disqualification in making, participating in, of influencing, those governmental decisions.

Under the existing Political Reform Act of 1974, no officer of an agency may accept, solicit, or direct a contribution of more than \$250 from any party, or his or her agent, or from any participant, or his or her agent, while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for 3 months following the date a final decision is rendered in the proceeding, if the officer knows or has reason to know that the participant has a financial interest, as defined.

This bill would increase from \$250 to \$500 the maximum amount of a contribution that may be accepted, solicited, or directed by an officer of an agency for purposes of that prohibition.

Existing law also prohibits an officer of an agency from making, participating in making, or in any way attempting to use his or her official position to influence the decision in a proceeding involving a license, permit, or other entitlement for use before the agency if the officer has willingly or knowingly received a contribution in an amount of more than \$250 within the preceding 12 months from a party, or his or her agent, or from a participant, or his or her agent, if the officer



knows or has reason to know that the participant has a financial interest in the decision.

This bill would increase from \$250 to \$500 the maximum amount of a contribution that may be received for purposes of that prohibition.

Existing law prohibits a party, or his or her agent, to a proceeding involving a license, permit, or other entitlement for use pending before any agency, and prohibits a participant, or his or her agent, in the proceeding, from making a contribution of more than \$250 to any officer of that agency during the proceeding and for 3 months following the date a final decision is rendered by the agency in the proceeding.

This bill would increase from \$250 to \$500 the maximum amount of the contribution that may be made for purposes of that prohibition.

This bill also would increase the minimum amounts of contributions required to be reported in specified statements of committees.

Under the existing Political Reform Act of 1974, the Franchise Tax Board is required to make audits and field investigations of various financial statements required to be submitted by, among others, lobbying firms, lobbyist employers, and specified committees. Existing law requires an audit to be made of a lobbying firm and a lobbyist employer who employs one or more lobbyist on a random basis with each lobbying firm or lobbyist employer having a 25% chance of being audited.

This bill would reduce the percentage chance of each lobbying firm or lobbyist employer being audited from 25 to 15.

Existing law requires an audit to be made of certain committees that primarily support or oppose a state candidate or measure. Existing law provides that if it is determined that the committee has raised or expended more than \$10,000 supporting or opposing state candidates or measures during any calendar year, the committee is subject to an audit on a random basis with each committee having a 25% chance of being audited, except that a committee is exempted from being audited if the commission determines from an audit

report that the committee is in substantial compliance with the act.

This bill instead would require that if it is determined that a certain type of state general purpose committee has raised or expended more than \$15,000 during any calendar year, the committee would be subject to an audit on a random basis with each committee having a 25% chance of being audited.

The bill would make other technical nonsubstantive changes to existing law.

Existing law provides that any person who makes or receives a contribution, gift, or expenditure in violation of specified provisions of law is liable in a civil action brought by the civil prosecutor or by a person residing within the jurisdiction for an amount up to \$500 or 3 times the amount of the contribution, gift, or expenditure, whichever amount is greater.

This bill would increase from \$500 to \$1,000 the minimum amount of civil penalty that may be imposed under those circumstances.

(2) Existing law makes a violation of the act subject to administrative, civil, and criminal penalties.

This bill would impose a state-mandated local program by imposing these criminal penalties on persons who violate the provisions of the bill.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(4) The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes with a 2/3 vote of each house and compliance with specified procedural requirements.

This bill, which would declare that it furthers the purposes of the act, would therefore require a 2/3 vote.

Vote: 2/3. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 82033 of the Government Code is amended to read:

82033. “Interest in real property” includes any leasehold, beneficial or ownership interest or an option to acquire such an interest in real property located in the jurisdiction owned directly, indirectly or beneficially by the public official, or other filer, or his or her immediate family if the fair market value of the interest is two thousand dollars (\$2,000) or more. Interests in real property of an individual includes a pro rata share of interests in real property of any business entity or trust in which the individual or immediate family owns, directly, indirectly or beneficially, a 10-percent interest or greater.

SEC. 2. Section 82034 of the Government Code is amended to read:

82034. “Investment” means any financial interest in or security issued by a business entity, including but not limited to common stock, preferred stock, rights, warrants, options, debt instruments and any partnership or other ownership interest owned directly, indirectly or beneficially by the public official, or other filer, or his or her immediate family, if the business entity or any parent, subsidiary or otherwise related business entity has an interest in real property in the jurisdiction, or does business or plans to do business in the jurisdiction, or has done business within the jurisdiction at any time during the two years prior to the time any statement or other action is required under this title. No asset shall be deemed an investment unless its fair market value equals or exceeds two thousand dollars (\$2,000). The term “investment” does not include a time or demand deposit in a financial institution, shares in a credit union, any insurance policy, interest in a diversified mutual fund registered with the Securities and Exchange Commission under the Investment Company Act of 1940 or a common trust fund which is created pursuant to Section 1564 of the Financial Code, or any bond or other debt instrument issued by any government or government agency.

1 Investments of an individual includes a pro rata share of
2 investments of any business entity, mutual fund, or trust
3 in which the individual or immediate family owns,
4 directly, indirectly or beneficially, a 10-percent interest
5 or greater. The term “parent, subsidiary or otherwise
6 related business entity” shall be specifically defined by
7 regulations of the commission.

8 SEC. 3. Section 84200 of the Government Code is
9 amended to read:

10 84200. (a) Except as provided in paragraphs (1), (2),
11 and (3), elected officers, candidates, and committees
12 pursuant to subdivision (a) of Section 82013 shall file
13 semiannual statements each year no later than July 31 for
14 the period ending June 30, and no later than January 31
15 for the period ending December 31.

16 (1) A candidate who, during the past six months has
17 filed a declaration pursuant to Section 84206 shall not be
18 required to file a semiannual statement for that six-month
19 period.

20 (2) Elected officers whose salaries are less than two
21 hundred dollars (\$200) a month, judges, judicial
22 candidates, and their controlled committees shall not file
23 semiannual statements pursuant to this subdivision for
24 any six-month period in which they have not made or
25 received any contributions or made any expenditures.

26 (3) A judge who is not listed on the ballot for reelection
27 to, or recall from, any elective office during a calendar
28 year shall not file semiannual statements pursuant to this
29 subdivision for any six-month period in that year if both
30 of the following apply:

31 (A) The judge has not received any contributions.

32 (B) The only expenditures made by the judge during
33 the calendar year are contributions from the judge’s
34 personal funds to other candidates or committees totaling
35 less than one thousand dollars (\$1,000).

36 (b) All committees pursuant to subdivision (b) or (c)
37 of Section 82013 shall file campaign statements each year
38 no later than July 31 for the period ending June 30, and
39 no later than January 31 for the period ending December
40 31, if they have made contributions or independent

1 expenditures, including payments to a slate mailer
2 organization, during the six-month period before the
3 closing date of the statements.

4 SEC. 4. Section 84202.5 of the Government Code is
5 amended to read:

6 84202.5. (a) Any candidate or any committee
7 pursuant to subdivision (a) of Section 82013 which makes
8 contributions totaling ten thousand dollars (\$10,000) or
9 more in connection with an election, including a runoff
10 election, shall file a supplemental preelection statement
11 no later than 12 days before the election, for the period
12 ending 17 days before the election. This statement shall
13 be filed with each office with which the candidate or
14 committee filing the statement is required to file its next
15 campaign statement pursuant to Section 84215.

16 (b) This section shall not apply to candidates or
17 committees during any semiannual period in which the
18 candidate or committee is required to file preelection
19 statements pursuant to Section 84200.5.

20 (c) If a candidate or committee makes contributions
21 totaling ten thousand dollars (\$10,000) or more in
22 connection with an election and all of those contributions
23 are reported pursuant to Section 84200 or 84202.7 on or
24 before the closing date specified in subdivision (a), the
25 candidate or committee shall not be required to file
26 additional statements for that period pursuant to this
27 section.

28 SEC. 5. Section 84202.7 of the Government Code is
29 amended to read:

30 84202.7. (a) Except as provided in subdivision (b),
31 during an odd-numbered year, any committee by virtue
32 of Section 82013 which makes contributions totaling ten
33 thousand dollars (\$10,000) or more to elected state
34 officers, their controlled committees, or committees
35 primarily formed to support or oppose any elected state
36 officer during a period specified below shall file campaign
37 statements on the following dates:

38 (1) No later than April 30 for the period of January 1
39 through March 31.

1 (2) No later than October 31 for the period of July 1
2 through September 30.

3 (b) If a committee makes contributions totaling five
4 thousand dollars (\$5,000) or more to elected state officers,
5 their controlled committees, or committees primarily
6 formed to support or oppose any elected state officer
7 during a period specified in subdivision (a), and all of
8 those contributions are reported pursuant to Section
9 84202.5 on or before the time specified in subdivision (a),
10 the committee shall not be required to file additional
11 statements for that period pursuant to this section.

12 SEC. 6. Section 84203.5 of the Government Code is
13 amended to read:

14 84203.5. (a) In addition to any campaign statements
15 required by this article, if a candidate or committee has
16 made independent expenditures totaling one thousand
17 dollars (\$1,000) or more in a calendar year to support or
18 oppose a candidate, a measure or qualification of a
19 measure, it shall file independent expenditure reports at
20 the same time, covering the same periods, and in the
21 places where the candidate or committee would be
22 required to file campaign statements under this article, as
23 if it were formed or existing primarily to support or
24 oppose the candidate or measure or qualification of the
25 measure. No independent expenditure report need be
26 filed to cover a period for which there has been no activity
27 to report.

28 (b) An independent expenditure report shall contain
29 the following information:

30 (1) The name, street address, and telephone number
31 of the candidate or committee making the expenditure
32 and of the committee's treasurer, and the number
33 assigned to the committee by the Secretary of State.

34 (2) If the report is related to a candidate, the full name
35 of the candidate and the office and district for which the
36 candidate seeks nomination or election. If the report is
37 related to a measure or qualification of a measure, the
38 number or letter of the measure, or if none has yet been
39 assigned, a brief description of the subject matter of the

1 measure, and the jurisdiction in which the measure is to
2 be voted on or would be voted on if it qualified.

3 (3) The total amount of expenditures related to the
4 candidate or measure during the period covered by the
5 report made to persons who have received less than one
6 hundred dollars (\$100).

7 (4) The total amount of expenditures related to the
8 candidate or measure during the period covered by the
9 report made to persons who have received one hundred
10 dollars (\$100) or more.

11 (5) For each person to whom an expenditure of one
12 hundred dollars (\$100) or more related to the candidate
13 or measure has been made during the period covered by
14 the report and for each person who has provided
15 consideration for an expenditure of one hundred dollars
16 (\$100) or more during the period covered by the report:

17 (A) His or her full name.

18 (B) His or her street address.

19 (C) If the person is a committee, the name of the
20 committee, the number assigned to the committee by the
21 Secretary of State, or if no number has been assigned, the
22 full name and street address of the treasurer of the
23 committee.

24 (D) The date of the expenditure.

25 (E) The amount of the expenditure.

26 (F) A brief description of the consideration for which
27 each expenditure was made and the value of the
28 consideration if less than the total amount of the
29 expenditure.

30 (G) The cumulative amount of expenditures to such
31 person.

32 (6) A list of all the filing officers with whom the
33 committee filed its most recent campaign statement.

34 SEC. 7. Section 84308 of the Government Code is
35 amended to read:

36 84308. (a) The definitions in this subdivision govern
37 the interpretation of this section.

38 (1) "Party" means any person who files an application
39 for, or is the subject of, a proceeding involving a license,
40 permit, or other entitlement for use.

1 (2) “Participant” means any person who is not a party
2 but who actively supports or opposes a particular decision
3 in a proceeding involving a license, permit, or other
4 entitlement for use and who has a financial interest in the
5 decision, as defined in Article 1 (commencing with
6 Section 87100) of Chapter 7. A person actively supports
7 or opposes a particular decision in a proceeding if he or
8 she lobbies in person the officers or employees of the
9 agency, testifies in person before the agency, or otherwise
10 acts to influence officers of the agency.

11 (3) “Agency” means an agency as defined in Section
12 82003, except the courts or any agency in the judicial
13 branch of government, local governmental agencies
14 whose members are directly elected by the voters, the
15 Legislature, the Board of Equalization, or constitutional
16 officers. However, this section applies to any person who
17 is a member of an exempted agency but is acting as a
18 voting member of another agency.

19 (4) “Officer” means any elected or appointed officer
20 of an agency, any alternate to an elected or appointed
21 officer of an agency, and any candidate for elective office
22 in an agency.

23 (5) “License, permit, or other entitlement for use”
24 means all business, professional, trade and land use
25 licenses and permits and all other entitlements for use,
26 including all entitlements for land use, all franchises, and
27 all contracts, except for contracts that are competitively
28 bid, and contracts for labor or personal employment.

29 (6) “Contribution” includes contributions to
30 candidates or committees in federal, state, or local
31 elections.

32 (b) (1) No officer of an agency may accept, solicit, or
33 direct a contribution of more than five hundred dollars
34 (\$500) from any party, or his or her agent, while a
35 proceeding involving a license, permit, or other
36 entitlement for use is pending before the agency and for
37 three months following the date a final decision is
38 rendered in the proceeding.

39 (2) No officer of an agency may accept, solicit, or
40 direct a contribution of more than five hundred dollars

1 (\$500) from any participant, or his or her agent while a
2 proceeding involving a license, permit, or other
3 entitlement for use is pending before the agency and for
4 three months following the date a final decision is
5 rendered in the proceeding if the officer knows or has
6 reason to know that the participant has a financial
7 interest, as defined in Article 1 (commencing with
8 Section 87100) of Chapter 7 in the proceeding.

9 (3) The prohibition of this section applies regardless of
10 whether the officer accepts, solicits, or directs the
11 contribution for himself or herself, or on behalf of any
12 other officer, any candidate for office, or any committee.

13 (c) Prior to rendering any decision in a proceeding
14 involving a license, permit or other entitlement for use
15 pending before an agency, each officer of the agency who
16 received a contribution within the preceding 12 months
17 in an amount of more than five hundred dollars (\$500)
18 from a party or from any participant shall disclose that
19 fact on the record of the proceeding. No officer of an
20 agency shall make, participate in making, or in any way
21 attempt to use his or her official position to influence the
22 decision in a proceeding involving a license, permit, or
23 other entitlement for use pending before the agency if
24 the officer has willfully or knowingly received a
25 contribution in an amount of more than five hundred
26 dollars (\$500) within the preceding 12 months from (1)
27 a party, or his or her agent, or (2) any participant, or his
28 or her agent, if the officer knows or has reason to know
29 that the participant has a financial interest in the decision,
30 as defined in Article 1 (commencing with Section 87100)
31 of Chapter 7.

32 If an officer receives a contribution which would
33 otherwise require his or her disqualification under this
34 section, returns the contribution within 30 days from the
35 time he or she knows, or should have known, about the
36 contribution and the proceeding involving a license,
37 permit, or other entitlement for use, he or she shall be
38 permitted to participate in the proceeding.

39 (d) A party to a proceeding before an agency
40 involving a license, permit, or other entitlement for use

1 shall disclose on the record of the proceeding any
2 contribution in an amount of more than five hundred
3 dollars (\$500) made within the preceding 12 months by
4 the party, or his or her agent, to any officer of the agency.
5 No party, or his or her agent, to a proceeding involving
6 a license, permit, or other entitlement for use pending
7 before any agency and no participant, or his or her agent,
8 in the proceeding shall make a contribution of more than
9 five hundred dollars (\$500) to any officer of that agency
10 during the proceeding and for three months following
11 the date a final decision is rendered by the agency in the
12 proceeding. When a closed corporation is a party to, or a
13 participant in, a proceeding involving a license, permit,
14 or other entitlement for use pending before an agency,
15 the majority shareholder is subject to the disclosure and
16 prohibition requirements specified in subdivisions (b),
17 (c), and this subdivision.

18 (e) This section may not be construed to imply that
19 any contribution subject to being reported under this title
20 shall not be so reported.

21 SEC. 8. Section 87103 of the Government Code is
22 amended to read:

23 87103. A public official has a financial interest in a
24 decision within the meaning of Section 87100 if it is
25 reasonably foreseeable that the decision will have a
26 material financial effect, distinguishable from its effect on
27 the public generally, on the official, a member of his or
28 her immediate family, or on any of the following:

29 (a) Any business entity in which the public official has
30 a direct or indirect investment worth two thousand
31 dollars (\$2,000) or more.

32 (b) Any real property in which the public official has
33 a direct or indirect interest worth two thousand dollars
34 (\$2,000) or more.

35 (c) Any source of income, except gifts or loans by a
36 commercial lending institution made in the regular
37 course of business on terms available to the public without
38 regard to official status, aggregating five hundred dollars
39 (\$500) or more in value provided or promised to,

1 received by, the public official within 12 months prior to
2 the time when the decision is made.

3 (d) Any business entity in which the public official is
4 a director, officer, partner, trustee, employee, or holds
5 any position of management.

6 (e) Any donor of, or any intermediary or agent for a
7 donor of, a gift or gifts aggregating two hundred fifty
8 dollars (\$250) or more in value provided to, received by,
9 or promised to the public official within 12 months prior
10 to the time when the decision is made. The amount of the
11 value of gifts specified by this subdivision shall be adjusted
12 biennially by the commission to equal the same amount
13 determined by the commission pursuant to subdivision
14 (f) of Section 89503.

15 For purposes of this section, indirect investment or
16 interest means any investment or interest owned by the
17 spouse or dependent child of a public official, by an agent
18 on behalf of a public official, or by a business entity or trust
19 in which the official, the official's agents, spouse, and
20 dependent children own directly, indirectly, or
21 beneficially a 10-percent interest or greater.

22 SEC. 9. Section 87206 of the Government Code is
23 amended to read:

24 87206. If an investment or an interest in real property
25 is required to be disclosed under this article, the
26 statement shall contain:

27 (a) A statement of the nature of the investment or
28 interest.

29 (b) The name of the business entity in which each
30 investment is held, and a general description of the
31 business activity in which the business entity is engaged.

32 (c) The address or other precise location of the real
33 property.

34 (d) A statement whether the fair market value of the
35 investment or interest in real property equals or exceeds
36 two thousand dollars (\$2,000) but does not exceed ten
37 thousand dollars (\$10,000), whether it exceeds ten
38 thousand dollars (\$10,000) but does not exceed one
39 hundred thousand dollars (\$100,000), whether it exceeds
40 one hundred thousand dollars (\$100,000) but does not

1 exceed one million dollars (\$1,000,000), or whether it
2 exceeds one million dollars (\$1,000,000).

3 (e) In the case of a statement filed under Sections
4 87203 or 87204, if the investment or interest in real
5 property was partially or wholly acquired or disposed of
6 during the period covered by the statement, the date of
7 acquisition or disposal.

8 (f) For purposes of disclosure under this article,
9 “interest in real property” does not include the principal
10 residence of the filer or any other property which the filer
11 utilizes exclusively as the personal residence of the filer.

12 SEC. 10. Section 87207 of the Government Code is
13 amended to read:

14 87207. (a) When income is required to be reported
15 under this article, the statement shall contain, except as
16 provided in subdivision (b):

17 (1) The name and address of each source of income
18 aggregating five hundred dollars (\$500) or more in value,
19 or fifty dollars (\$50) or more in value if the income was
20 a gift, and a general description of the business activity,
21 if any, of each source.

22 (2) A statement whether the aggregate value of
23 income from each source, or in the case of a loan, the
24 highest amount owed to each source, was at least five
25 hundred dollars (\$500) but did not exceed one thousand
26 dollars (\$1,000), whether it was in excess of one thousand
27 dollars (\$1,000) but was not greater than ten thousand
28 dollars (\$10,000), whether it was greater than ten
29 thousand dollars (\$10,000) but not greater than one
30 hundred thousand dollars (\$100,000), or whether it was
31 greater than one hundred thousand dollars (\$100,000).

32 (3) A description of the consideration, if any, for which
33 the income was received.

34 (4) In the case of a gift, the amount and the date on
35 which the gift was received.

36 (5) In the case of a loan, the annual interest rate, the
37 security, if any, given for the loan, and the term of the
38 loan.

39 (b) When the filer’s pro rata share of income to a
40 business entity, including income to a sole proprietorship,

1 is required to be reported under this article, the
2 statement shall contain:

3 (1) The name, address, and a general description of
4 the business activity of the business entity.

5 (2) The name of every person from whom the business
6 entity received payments if the filer's pro rata share of
7 gross receipts from that person was equal to or greater
8 than ten thousand dollars (\$10,000) during a calendar
9 year.

10 (c) When a payment, including an advance or
11 reimbursement, for travel is required to be reported
12 pursuant to this section, it may be reported on a separate
13 travel reimbursement schedule which shall be included
14 in the filer's statement of economic interest. A filer who
15 chooses not to use the travel schedule shall disclose
16 payments for travel as a gift, unless it is clear from all
17 surrounding circumstances that the services provided
18 were equal to or greater in value than the payments for
19 the travel, in which case the travel may be reported as
20 income.

21 SEC. 11. Section 89511 of the Government Code is
22 amended to read:

23 89511. (a) This article applies to campaign funds held
24 by candidates for elective office, elected officers,
25 controlled committees, ballot measure committees,
26 committees opposed to a candidate or measure, and any
27 committee which qualifies as a committee pursuant to
28 subdivision (a) of Section 82013.

29 (b) (1) For purposes of this chapter, "campaign
30 funds" includes any contributions, cash, cash equivalents,
31 and other assets received or possessed by a committee as
32 defined by subdivision (a) of Section 82013.

33 (2) For purposes of this chapter, "committee" means
34 a controlled committee, ballot measure committee,
35 committee opposed to a candidate or measure, and any
36 committee which qualifies as a committee pursuant to
37 subdivision (a) of Section 82013.

38 (3) For purposes of this chapter, "substantial personal
39 benefit" means an expenditure of campaign funds which
40 results in a direct personal benefit with a value of more

1 than two hundred dollars (\$200) to a candidate, elected
2 officer, or any individual or individuals with authority to
3 approve the expenditure of campaign funds held by a
4 committee.

5 (4) For purposes of this article, “household” includes
6 the candidate’s or elected officer’s spouse, dependent
7 children, and parents who reside with the candidate or
8 elected officer.

9 SEC. 12. *Section 90001 of the Government Code is*
10 *amended to read:*

11 90001. Audits and investigations shall be made
12 pursuant to Section 90000 with respect to the reports and
13 statements of:

14 (a) Each lobbying firm and each lobbyist employer
15 who employs one or more lobbyists shall be subject to an
16 audit on a random basis with these lobbying firms or
17 lobbyist employers having a ~~25-percent~~ 15-percent
18 chance of being audited. When a lobbying firm or lobbyist
19 employer is audited, the individual lobbyists who are
20 employed by the lobbying firm or the lobbyist employer
21 shall also be audited.

22 (b) Each statewide, Supreme Court, court of appeal,
23 or Board of Equalization candidate in a direct primary or
24 general election for whom it is determined that
25 twenty-five thousand dollars (\$25,000) or more in
26 contributions have been raised or twenty-five thousand
27 dollars (\$25,000) or more in expenditures have been
28 made, whether by the candidate or by a committee or
29 committees controlled by the candidate or whose
30 participation in the direct primary or general election is
31 primarily in support of his or her candidacy. Each
32 statewide candidate whose contributions and
33 expenditures are less than twenty-five thousand dollars
34 (\$25,000) shall be subject to an audit on a random basis of
35 10 percent of the number of such candidates.

36 (c) Each candidate for the Legislature or superior
37 court judge in a direct primary or general election shall
38 be subject to audit by random selection if it is determined
39 that fifteen thousand dollars (\$15,000) or more in
40 contributions have been received or fifteen thousand

dollars (\$15,000) or more in expenditures have been made, whether by the candidate or by a committee or committees controlled by the candidate or primarily supporting his or her candidacy. Random selection shall be made of 25 percent of the Senate districts, 25 percent of the Assembly districts, and 25 percent of the judicial offices contested in an election year.

(d) Each candidate for the Legislature in a special primary or special ~~runoff~~ *general* election for whom it is determined that fifteen thousand dollars (\$15,000) or more in contributions have been raised or fifteen thousand dollars (\$15,000) or more in expenditures have been made, whether by the candidate or by a committee or committees controlled by the candidate or primarily supporting his or her candidacy.

(e) Each controlled committee of any candidate who is being audited pursuant to subdivision (b), (c), or (d).

(f) Each committee, other than a committee specified in subdivision (c) of Section 82013, primarily supporting or opposing a candidate who is being audited pursuant to subdivision (b), (c), or (d) if it is determined that the committee has expended more than ten thousand dollars (\$10,000).

(g) Each committee, other than a committee specified in subdivision (c) of Section 82013, whose participation is primarily in support of or in opposition to a state measure or state measures if it is determined that the committee has expended more than ten thousand dollars (\$10,000) on such measure or measures.

(h) Each *state general purpose* committee, other than a committee defined in subdivision (c) of Section 82013, a controlled committee, or a committee primarily supporting or opposing a state candidate or measure, if it is determined that the committee has raised or expended more than ~~ten~~ *fifteen* thousand dollars ~~(\$10,000)~~ *(\$15,000)* ~~supporting or opposing state candidates or state measures during any calendar year, except that if the commission determines from an audit report that a committee is in substantial compliance with the provisions of the act, the committee thereafter shall be~~

1 subject to an audit on a random basis with each such
2 committee having a 25-percent chance of being audited.

3 (i) (1) With respect to local candidates and their
4 controlled committees, the commission shall promulgate
5 regulations ~~which~~ *that* provide a method of selection for
6 these audits.

7 (2) With respect to candidates for the Board of
8 Administration of the Public Employees' Retirement
9 System, the commission shall promulgate regulations that
10 provide a method for selection of these audits. The Public
11 Employees' Retirement System shall reimburse the
12 commission for all reasonable expenses incurred
13 pursuant to this section.

14 (j) In accordance with subdivisions (a), (b), (c), and
15 (h), the ~~Fair Political Practices Commission~~ *commission*
16 shall select by lot the persons or districts to be audited on
17 a random basis. For campaign audits the selection shall be
18 made in public after the last date for filing the first report
19 or statement following the general or special election ~~for~~
20 ~~in~~ *in* which the candidate ~~ran~~ *sought election*, or following
21 the election at which the measure was adopted or
22 defeated. For lobbying firm and lobbyist employer audits,
23 the selection shall be made in public in February of *each*
24 odd-numbered ~~years~~ *year*.

25 *SEC. 13.* Section 91005 of the Government Code is
26 amended to read:

27 91005. (a) Any person who makes or receives a
28 contribution, gift, or expenditure in violation of Section
29 84300, 84304, 86203, or 86204 is liable in a civil action
30 brought by the civil prosecutor or by a person residing
31 within the jurisdiction for an amount up to one thousand
32 dollars (\$1,000) or three times the amount of the unlawful
33 contribution, gift, or expenditure, whichever amount is
34 greater.

35 (b) Any designated employee or public official
36 specified in Section 87200, except an elected state officer,
37 who realizes an economic benefit as a result of a violation
38 of Section 87100 or of a disqualification provision of a
39 conflict of interest code is liable in a civil action brought
40 by the civil prosecutor or by a person residing within the

1 jurisdiction for an amount up to three times the value of
2 the benefit.

3 ~~SEC. 13.~~

4 *SEC. 14.* No reimbursement is required by this act
5 pursuant to Section 6 of Article XIII B of the California
6 Constitution because the only costs that may be incurred
7 by a local agency or school district will be incurred
8 because this act creates a new crime or infraction,
9 eliminates a crime or infraction, or changes the penalty
10 for a crime or infraction, within the meaning of Section
11 17556 of the Government Code, or changes the definition
12 of a crime within the meaning of Section 6 of Article
13 XIII B of the California Constitution.

14 ~~SEC. 14.~~

15 *SEC. 15.* The Legislature finds and declares that the
16 provisions of this act further the purposes of the Political
17 Reform Act of 1974 within the meaning of subdivision (a)
18 of Section 81012 of the Government Code.

